

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 582

Introduced by Assembly Member Calderon

February 24, 2015

An act to add and repeal Chapter 4 (commencing with Section 15660) of Part 9 of Division 3 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 582, as amended, Calderon. ~~Entrepreneur Partnership Pilot Project~~ *Professionals in Public Service* Act of 2015.

Under

(1) *Under* existing law the State Board of Equalization collects and administers a variety of tax and fee programs with respect to matters including, but not limited to, vehicle fuels, timber, cigarettes and tobacco products, alcoholic beverages, emergency telephone services, integrated waste management, oil spills, hazardous materials, underground storage systems, and private railroad cars.

This bill would enact the ~~Entrepreneur Partnership Pilot Project~~ *Professionals in Public Service* Act of 2015, which would establish the state ~~executive-on-loan~~ *professionals in public service* program within the State Board of Equalization for the purpose of utilizing the expertise of private-sector entrepreneurs to help make state governmental activities and practices more streamlined and accessible to small businesses. The program would authorize the *executive* director of the board to appoint a maximum of 5 persons during any calendar year to serve the board, on a voluntary basis, as ~~an executive-on-loan~~ *a professional in public service* with duties as set forth in the bill. *The bill would provide these*

duties be performed pursuant to an agreement and subject to specified confidentiality requirements, the violation of which is a crime. By expanding the scope of a crime, this bill would impose a state-mandated local program.

This bill would require the director of the board to accept appointment applications for the position of ~~an executive on loan~~ *a professional in public service* and to establish prescribed procedures for complying with the bill by March 1, 2016. The bill would require the director to establish an informal working group of executives on loan to discuss best practices, experiences, obstacles, opportunities, and recommendations.

This bill would, notwithstanding any law, require the director to annually report on the program to the Governor and the Assembly Committee on Jobs, Economic Development, and the Economy, with the final report due January 1, 2019.

This bill would repeal these provisions January 12, 2021.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares the following:*
- 2 *(a) California is home to some of the most innovative and*
- 3 *resourceful entrepreneurs in the world, making it the nation's*
- 4 *leader in technology and related industries.*
- 5 *(b) The state should harness this innovation and leverage it to*
- 6 *provide the best possible customer service to all of its citizens in*
- 7 *the most cost-effective, efficient, and creative manner.*
- 8 *(c) Creativity and efficiency should not be limited to the private*
- 9 *sector, but rather should be embraced and developed to further*
- 10 *the public interest.*
- 11 *(d) The Professionals in Public Service Act of 2015 applies a*
- 12 *philosophy of success to state government, allowing the most*

creative private sector professionals to volunteer their time and expertise to make government work better for its citizens.

SECTION 1.

SEC. 2. Chapter 4 (commencing with Section 15660) is added to Part 9 of Division 3 of Title 2 of the Government Code, to read:

**CHAPTER 4. ~~ENTREPRENEUR PARTNERSHIP PILOT PROJECT~~
PROFESSIONALS IN PUBLIC SERVICE ACT OF 2015**

15660. (a) This chapter shall be known, and may be cited, as the ~~Entrepreneur Partnership Project~~ *Professionals in Public Service Act of 2015*.

(b) As used in this chapter, the following terms have the following meanings:

(1) "Board" means the State Board of Equalization.

(2) "Director" means the ~~executive director~~ *Secretary* of the State Board of Equalization, or his or her designee.

(3) ~~"Executive on loan"~~ *"Professional in public service"* means an individual appointed as ~~an executive~~ *a professional* on loan pursuant to the ~~executive-on-loan~~ program.

(4) "Program" means the ~~executive-on-loan professionals in public service~~ program, as established by this chapter.

15661. (a) The ~~executive-on-loan professionals in public service~~ program is hereby established within the board for the purpose of utilizing the expertise of private-sector executives to help make state governmental activities and practices more streamlined and accessible to small businesses.

(b) (1) The director may appoint one or more ~~executives on loan professionals in public service~~ under the program during the program's existence, however, the director shall not appoint more than five ~~executives on loan professionals in public service~~ during any calendar year. An entity, public or private, may recommend candidates for the board to consider.

(2) Any person appointed as ~~an executive on loan~~ *a professional in public service* shall meet at least one of the following qualifications:

(A) The individual shall have demonstrated success in working with California small businesses and entrepreneurs.

(B) The individual shall have successfully developed, invented, or created a product and brought the product to the marketplace.

1 (3) A person appointed as ~~an executive on loan~~ *a professional*
2 *in public service* shall not have a conflict of interest with the
3 activities of the board, including, but not limited to, having any
4 existing business before the board.

5 (c) The director shall accept appointment applications for the
6 position of ~~an executive on loan~~ *a professional in public service*
7 and shall establish procedures for complying with this chapter by
8 March 1, 2016. Among other requirements, the procedures shall
9 include all of the following:

10 (1) A process for screening prospective appointees, including
11 checking backgrounds and references.

12 (2) A standard memorandum of understanding that stipulates
13 the responsibilities of each party in undertaking an executive on
14 loan under the program, including, but not limited to, duties, goals,
15 expected outcomes, administrative support, and office participation.
16 This standard memorandum of understanding may function as a
17 model for future ~~executive on loan~~ *professionals in public service*
18 programs.

19 (3) A reporting process that provides sufficient information for
20 the director to report as set forth in subdivision (c) of Section
21 15663.

22 (d) Prior to the appointment of ~~an executive on loan~~, *a*
23 *professional in public service*, the board shall approve the
24 procedures established by the director pursuant to subdivision (c).

25 (e) Before the effective date of an appointment under this
26 chapter, every individual selected to participate in the program
27 shall have entered into a memorandum of understanding with the
28 director. The memorandum of understanding shall be specific as
29 to the placement and clearly identify the duties, goals, expected
30 outcomes, administrative support, and office participation. The
31 memorandum of understanding shall set the benchmarks and
32 metrics for evaluating the success of the placement.

33 (f) ~~An executive on loan~~ *A professional in public service* may
34 serve in that capacity for up to the life of the ~~pilot~~ program.

35 (g) Procedures adopted pursuant to this chapter are hereby
36 exempted from the rulemaking provisions of the Administrative
37 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
38 Part 1).

39 15662. (a) ~~An executive on loan~~ *Subject to the confidentiality*
40 *requirements of Section 15619 of this code and of the Revenue and*

1 *Taxation Code applicable to the board, and pursuant to an*
2 *agreement that satisfies Section 6830 of the Revenue and Taxation*
3 *Code, a professional in public service shall have all of the*
4 *following duties:*

5 (1) Providing recommendations to the board on how to
6 streamline, eliminate, or modify potentially inefficient or
7 duplicative activities, processes, and programs, if any, of the board.

8 (2) Providing recommendations to the board on methods to
9 improve program efficiency at the board or new initiatives, if any,
10 that may be instituted at the board to address the needs of small
11 businesses and entrepreneurs.

12 (3) Assisting the board in improving outreach and service to
13 small business concerns and entrepreneurs including, but not
14 limited to, the following:

15 (A) Facilitating meetings and forums to educate small businesses
16 and entrepreneurs on programs or initiatives of the board.

17 (B) Facilitating in-service sessions with employees of the board
18 on issues of concern to entrepreneurs and small businesses.

19 (C) Providing technical assistance or mentorship to small
20 businesses and entrepreneurs in accessing programs at the board.

21 ~~(b) An executive on loan~~ *A professional in public service shall*
22 *serve on a project-based, voluntary basis, and shall be given a*
23 *timeline for completion. At the discretion of the director, the*
24 ~~executive on loan~~ *professional in public service shall have access*
25 *to an office, computer, and other related support services and*
26 *equipment as the director determines to be necessary for the*
27 ~~executive on loan~~ *professional in public service to discharge his*
28 *or her duties.*

29 15663. (a) ~~An executive on loan~~ *A professional in public*
30 *service shall report directly to the director.*

31 (b) The director shall establish an informal working group of
32 executives on loan to discuss best practices, experiences, obstacles,
33 opportunities, and recommendations.

34 (c) (1) Notwithstanding any law, including, but not limited to,
35 Section 10231.5, the director shall annually prepare and submit to
36 the Governor and the Assembly Committee on Jobs, Economic
37 Development, and the Economy a report on the program. The
38 report, at a minimum, shall include all of the following:

1 (A) A progress report on the activities of each ~~executive-on-loan~~
2 *professional in public service* during the reporting period, based
3 on the applicable memorandum of understanding.

4 (B) A general summary on how the overall program is
5 addressing the goals of the program, which are as follows:

6 (i) Making board-administered programs simpler, easier to
7 access, more efficient, and more responsive to the needs and
8 concerns of small businesses and entrepreneurs.

9 (ii) Providing for better outreach by the board to the private
10 sector.

11 (iii) Strengthening coordination and interaction between the
12 board and the private sector on issues relevant to entrepreneurs
13 and small business concerns.

14 (2) It is anticipated that program impacts will not be fully
15 measurable until recommended changes and activities are fully
16 implemented. The director shall continue measuring and reporting
17 the impact of the activities of the ~~executive-on-loan~~ *professional*
18 *in public service* for three years following the placement of ~~an~~
19 ~~executive-on-loan~~ *a professional in public service*.

20 (3) The report shall be filed in compliance with Section 9795.

21 (4) The final annual report shall be filed by January 1, 2019.

22 15664. This chapter shall remain in effect only until January
23 1, 2021, and as of that date is repealed.

24 *SEC. 3. No reimbursement is required by this act pursuant to*
25 *Section 6 of Article XIII B of the California Constitution because*
26 *the only costs that may be incurred by a local agency or school*
27 *district will be incurred because this act creates a new crime or*
28 *infraction, eliminates a crime or infraction, or changes the penalty*
29 *for a crime or infraction, within the meaning of Section 17556 of*
30 *the Government Code, or changes the definition of a crime within*
31 *the meaning of Section 6 of Article XIII B of the California*
32 *Constitution.*